



DES PLAINES FIREFIGHTERS' PENSION FUND

405 S. River Road ■ Des Plaines, Illinois 60016

William Rice
President

Jeff Vallee
Secretary

Paul Birger
Trustee

Nicholas Chiaro
Trustee

Jeffery Rozovics
Trustee

MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE DES PLAINES FIREFIGHTERS' PENSION FUND FEBRUARY 6, 2018

A regular meeting of the Board of Trustees of the Des Plaines Firefighters' Pension Fund was held on Tuesday, February 6, 2018 at 8:30 a.m., at City Hall located at 1420 Miner Street in Room 101, Des Plaines, IL, pursuant to notice, to conduct regular business.

CALL TO ORDER: Secretary Vallee called the meeting to order at 8:32 a.m.

ROLL CALL:

PRESENT: Secretary Jeff Vallee, Trustees Paul Birger, Nicholas Chiaro (*arrived at 8:34 a.m.*), and Jeffery Rozovics

ABSENT: President Bill Rice

ALSO PRESENT: Laura Goodloe, Puchalski Goodloe Marzullo, LLP (PGM); Thomas McShane, MSSB/Graystone Consulting; Michelle Hawkins, Lauterbach & Amen, LLP (L&A); Dorothy Wisniewski, City of Des Plaines

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *November 14, 2017 Regular Meeting Minutes:* The minutes of the November 14, 2017 regular meeting were reviewed by the Board. A motion was made by Trustee Birger and seconded by Trustee Rozovics to approve the November 14, 2017 regular minutes as written. Motion carried unanimously by voice vote.

Trustee Chiaro joined the meeting at 8:34 a.m.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report prepared by Lauterbach & Amen, LLP. As of December 31, 2017, the plan net assets held in trust for pension benefits is \$80,684,209.99 with a change in position of \$9,914,892.03 for the twelve-month period ending December 31, 2017. The Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal were provided in the Monthly Financial Report for the Board to review.

Presentation and Approval of Bills: The Board reviewed the Vendor Checks Report for the period 10/01/2017 through 12/31/2017 for total disbursements of \$421,427.27. A motion was made by Trustee Birger and seconded by Trustee Rozovics to approve the disbursements listed on the Vendor Checks Report in the amount of \$421,427.27. Motion carried by roll call vote.

AYES: Trustees Vallee, Birger, Chiaro and Rozovics

NAYS: None

ABSENT: Trustee Rice

Additional Bills, if any: There were no additional bills presented.

APPROVAL OF MEETING MINUTES (CONTINUED): *November 15, 2017 Special Meeting Minutes:* The Board tabled this item for discussion until the next scheduled meeting.

November 17, 2017 Special Meeting Minutes: The minutes of the November 17, 2017 special meeting were reviewed by the Board. A motion was made by Trustee Birger and seconded by Trustee Chiaro to approve the November 17, 2017 special meeting minutes as written. Motion carried unanimously by voice vote.

November 17, 2017 Closed Session Meeting Minutes: The minutes of the November 17, 2017 closed session meeting were reviewed by the Board. A motion was made by Trustee Birger and seconded by Trustee Chiaro to approve the November 17, 2017 closed session minutes as written. Motion carried unanimously by voice vote.

January 12, 2018 Special Meeting Minutes: The minutes of the January 12, 2018 special meeting were reviewed by the Board. A motion was made by Trustee Rozovics and seconded by Trustee Birger to approve the January 12, 2018 special meeting minutes as written. Motion carried unanimously by voice vote.

January 12th Closed Session Meeting Minutes: The minutes of the January 12, 2018 closed session minutes were reviewed by the Board. A motion was made by Trustee Rozovics and seconded by Trustee Birger to approve the January 12, 2018 closed session minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: The Board discussed the closed session meeting minutes and will not release them at this time due to pending matters.

INVESTMENT REPORT – GRAYSTONE CONSULTING: *Quarterly Performance Report: [Potential purchase and/or sale of securities, re-balancing of asset allocations and hiring/termination of investment managers:]* Mr. McShane presented the Quarterly Performance Report for the period ended December 31, 2017. As of 12/31/17, the ending market value of the fund is \$80,648,423. The total return is 3.49% for the fourth quarter; 7.09% for the last 3 years, 8.08% for the last 5 years and 6.32% since inception. The portfolio asset allocation is 68.85% Equity; 30.28% Fixed Income; 0.87% Cash & Cash Equivalent. All questions were answered by Mr. McShane.

The Board discussed upcoming cash flow needs. A motion was made by Trustee Birger and seconded by Trustee Rozovics to transfer \$1,300,000 from iShares Russel 1000 Growth and allocate the proceeds, beginning February 2018 and to transfer \$1,000,000 in March and \$1,000,000 in April 2018 to rebalance Equities to 65%. Motion carried by roll call vote.

AYES: Trustees Vallee, Birger, Chiaro and Rozovics

NAYS: None

ABSENT: Trustee Rice

Review and Approval – Investment Consultant Fee Reduction: The Board reviewed the reduced fee schedule prepared by Graystone Consulting, reducing fees from 0.15% to 0.09%. No further action is needed.

Analysis of Exchange Traded Funds: The Board reviewed the Analysis of Exchange Traded Funds prepared by Graystone Consulting. A motion was made by Trustee Chiaro and seconded by Trustee Birger to transition Funds from iShares EFA to iShares IEFA. Motion carried unanimously by voice vote.

The Board reviewed the Fixed Income Manager Search prepared by Graystone Consulting. Further discussion will be held at the next scheduled meeting.

Review Updated Investment Policy Statement: The Board determined there were no changes needed at this time.

COMMUNICATIONS OR REPORTS: *Statements of Economic Interest:* The Board noted that the List of Filers was due to the County by February 1, 2018. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2018.

2018 IRS Mileage Rate: The Board noted that the IRS standard business mileage rate used for reimbursement increased to \$0.545 per mile effective January 1, 2018.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Application for Membership – Christopher Dawson:* The Board reviewed the Application for Membership submitted by Christopher Dawson. A motion was made by Trustee Birger and seconded by Trustee Chiaro to accept Christopher Dawson into the Des Plaines Firefighters' Pension Fund, effective 01/02/18, as a Tier II participant. Motion carried unanimously by voice vote.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Review and Approval of Final Written Decision & Order and Benefit Calculation – Eric Chipman:* The Board reviewed the regular retirement benefit calculation for Eric Chipman prepared by L&A. Firefighter Chipman had an entry date of 03/04/02, disability date of 08/18/17, effective date of pension of 08/19/18, 49 years of age at date of disability, 15 years of creditable service, applicable salary of \$100,250.00, applicable pension percentage of 65%, amount of originally granted monthly pension of \$5,430.21 and amount of originally granted annual pension of \$65,162.52. A motion was made by Trustee Chiaro and seconded by Trustee Birger to approve Eric Chipman's written Decision & Order prepared by PGM and disability benefit as calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Vallee, Birger, Chiaro and Rozovics

NAYS: None

ABSENT: Trustee Rice

Deceased Pensioner – George Lechner/Approval of Surviving Spouse Benefits – Carol Lechner: The Board noted that George Lechner passed away on January 20, 2018. The Board reviewed the surviving spouse benefit calculation for Carol Lechner with an effective date of January 21, 2018 for a monthly benefit of \$5,261.38 with no additional increases. A motion was made by Trustee Birger and seconded by Trustee Rozovics to approve the surviving spouse benefits of Carol Lechner as calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Vallee, Birger, Chiaro and Rozovics

NAYS: None

ABSENT: Trustee Rice

OLD BUSINESS: There was no old business to discuss.

NEW BUSINESS: *Discussion/Possible Action – Update of Website:* The Board discussed updating the Pension Fund website. A motion was made by Trustee Chiaro and seconded by Trustee Rozovics to approve updates to the website in an amount not to exceed \$2,500. Motion carried by roll call vote.

AYES: Trustees Vallee, Birger, Chiaro and Rozovics

NAYS: None

ABSENT: Trustee Rice

Discussion/Possible Action – Lauterbach & Amen, LLP Revised Engagement Letter: The Board reviewed the Lauterbach & Amen three-year engagement letter. A motion was made by Trustee Birger and seconded by Trustee Rozovics to engage L&A for three years in the annual amounts as follows: \$25,735 for the year ended 12/31/18; \$26,130 for the year ended 12/31/19; \$26,680 for the year ended 12/31/20. Motion carried unanimously by voice vote.

Discussion/Possible Action – PGM Fee Increase: Attorney Goodloe discussed the PGM fee increased with the Board. A motion was made by Trustee Rozovics and seconded by Trustee Chiaro to approve the new fees with

PGM in the amount of \$175 per hour and the quarterly retainer fee in the amount of \$650, effective April 1, 2018. Motion carried unanimously by voice vote.

Approve Annual Cost of Living Adjustments (COLAs) for Pensioners: The Board reviewed the 2018 Cost of Living Adjustments (see attached) as calculated by L&A. A motion was made by Trustee Chiaro and seconded by Trustee Rozovics to approve the 2018 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried unanimously by voice vote.

Review of Trustee Term Expirations and Election Procedures: The Board noted that the retired member term currently held by Trustee Birger is expiring in April 2018. Trustee Birger expressed his wish to remain on the Board if nominated. L&A will conduct an election on behalf of the Pension Fund for the retired member Trustee position.

TRUSTEE TRAINING UPDATE: The Board discussed recent training opportunities and was reminded to send all training certificates to L&A for recordkeeping.

ATTORNEY'S REPORT: *Status of Disability Application – Michael Shaughnessy:* Attorney Goodloe apprised the Board that the written Decision & Order will be available for review at the next scheduled meeting.

Status of Remand – Michael King: Attorney Goodloe discussed dates to schedule the Michael King matter. A status update will be provided at the next scheduled meeting.

Annual Independent Medical Examination – Christopher Moran: Attorney Goodloe noted she received the independent medical examination report and Christopher Moran remains disabled. Mr. Moran's disability benefits will continue subject to further independent medical examinations until age 50.

Annual Independent Medical Examination – Michael Carey: Attorney Goodloe noted she received the independent medical examination report and Michael Carey remains disabled. Mr. Carey's disability benefits will continue subject to further independent medical examinations until age 50.

CLOSED SESSION, IF NEEDED: There were no items to be discussed in closed session.

ADJOURNMENT: A motion was made by Trustee Birger and seconded by Trustee Rozovics to adjourn the meeting at 10:04 a.m. Motion carried unanimously by voice vote.

The next regular meeting of the Des Plaines Firefighters' Pension Fund will be held on **Tuesday, May 1, 2018 at 8:30 a.m.** in Room 101.

Respectfully submitted, 
William Rice, Pension Board President

Date approved: 5-1-18

Minutes prepared by Michelle Hawkins, Pension Services Administrator